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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

## INFORMATION REPORT

COUNTRY

Czechoslovakia

DATE DISTR 13 February 1954

SUBJECT

1. Abandonment of the HUKO Project
2. Commodity Prices
3. Conditions in the Jachymov Mines

NO. OF PAGES

2

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1. The grand project of the Huko steelworks and metallurgical combine in eastern Slovakia has been virtually abandoned. The buildings already constructed have been converted into a student hostel and study center by a Slovak low-level Communist functionary that the Huko combine was one of Slansky's crazy projects designed to sabotage the socialist build-up of the Czechoslovak economy. The project was abandoned as there were no natural prerequisites (such as local raw material basis, communications and skilled labor) for its development.

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2. In recent weeks there was a marked increase in the prices of daily necessities. Milk went up from Kcs 2 to Kcs 2.40 per liter and there was a corresponding rise in the price of butter and cottage cheese. Electric power went up to Kcs 0.80 per unit (Kwh) for customers using not more than 100 Kwh per month. Price per unit for customers using more than 100 Kwh a month varies from Kcs 1.20 to Kcs 2.40, the price rising progressively with the number of units consumed. As a consequence of this new measure, people in villages revert to paraffin lamps for lighting, reserving electricity for use with agricultural machinery. In spite of a considerable economy in power consumption enforced by the new high prices, powercuts continue to be a daily occurrence.

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3. [redacted] a young man who was recently released from the Jachymov uranium mines where he had served a three-year term of forced labor. Most of his fellow prisoners were intellectuals unused to heavy physical work which, together with brutal treatment, undernourishment and lack of medical care was responsible for a high mortality rate among them. Those who collapsed or were guilty of some other "provocation" or delict, were punished by being beaten and put into the so called "bunker". Political prisoners in the Jachymov area call one another "Mukli". There is a high degree of solidarity among them, allowing free exchange of opinion impossible among "free" workers outside the penal compounds. Most of the "Muklis" believe in liberation and the fall of Communism and surprisingly few crave for vengeance and retribution. The prevalent opinion is that at long last there must be a

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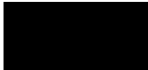
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stop to violence if decent life is to be built again. Therefore, liberation must not be accompanied this time by a new wave of terror and revenge. Practically all the "Muklis" were pinning their hopes, both as to liberation and organization of a decent society, on the USA which, as they say, never betrayed neither Czechoslovakia or the principles of democracy.

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